

May 20, 2014

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Subject: Comments on Proposed Rule: PCA-Risk-Based Capital

Dear Mr. Poliquin:

Thank you for the opportunity to respond to the proposed risk-based capital rule. Although I understand the NCUA's position and the need for each credit union to maintain adequate net worth relative to its aggregate risk level, there are components of the proposal that seem overly conservative and even counter intuitive.

Since the concerns of the proposed changes have already been categorically and thoroughly addressed in numerous credit union letters from other Chief Executive Officers and communications from the Credit Union National Association, I support and simply reiterate that the focuses in need of reconsideration include the overall justification of the rule, the risk weightings (especially member business loans and mortgages as well as CUSO investments), the ability of NCUA to impose higher capital requirements on individual credit unions, and the very short, 18-month implementation period of the new rules.

Although continued focus on the strength and sustainability of the share insurance fund and the credit union industry overall is critical, the proposed approach could have adverse impact on the industry and its ability to be competitive and continue to serve the 37,000 members of HealthCare Associates and many other credit union members nationwide.

Thank you again, and please contact me should you have any questions or comments pertaining to this response.

Sincerely,



Joseph J. Kregul
President & CEO

cc: HACU Board of Directors